

## Message Text

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PAGE 01 ATHENS 00837 302041Z

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ACTION SS-25

INFO OCT-01 ISO-00 /026 W

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R 301710Z JAN 75

FM AMEMBASSY ATHENS

TO SECSTATE WASHDC 7231

C O N F I D E N T I A L ATHENS 837

EXDIS

EO 11652: NA

TAGS: EGEN GR

SUBJECT: MINISTER COORDINATION AND PLANNING COMMENTS  
ON ECONOMIC SITUATION

REF: ATHENS 836

1. AS AMBASSADOR WAS ABOUT TO CONCLUDE JAN 30 MEETING WITH COORDINATION AND PLANNING MINISTER PAPALIGOURAS, MINISTER RECEIVED PHONE CALL FROM PM CARAMANLIS. UPON CONCLUSION OF CALL, PAPALIGOURAS REMARKED THAT PM HAD CALLED REGARDING IMPOSITION OF RESTRICTIONS ON CONSUMPTION OF OIL. REFERRING TO RECENT HIKE IN CERTAIN TAXES, UTILITY RATES, AND PRICES OF GOVERNMENT MONOPOLY ITEMS, PAPALIGOURAS QUIPPED THAT NO GOVERNMENT COULD TAKE ALL UNPOPULAR MEASURES AT THE SAME TIME. HE QUICKLY ADDED THAT PM WAS RIGHT ON NEED FOR RESTRICTIONS, AND STATED THAT FINANCE MINISTER DEVLETGLOU WOULD ANNOUNCE TONIGHT, ALONG WITH OTHER MEASURES, ONE DRACHMA PER LITER INCREASE IN PRICE OF GASOLINE. HE THEN PROCEEDED TO COMMENT GLOOMILY ON A MISCELLANY OF OTHER ECONOMIC ISSUES.

2. TOURISM - HE FEARS THAT 1975 WILL BE NO BETTER THAN 1974; THAT AMERICAN VISITORS IN PARTICULAR WILL STAY AWAY FROM GREECE BECAUSE OF UNCERTAINTY OVER ANTI-AMERICANISM, AND THAT RHODES AND OTHER ISLAND TOURIST CENTERS WILL SUFFER IF GREEK-TURKISH TENSIONS ARE NOT REDUCED SUBSTANTIALLY.

3. WAGE LEVELS - PAPALIGOURAS OPINED THAT WAGE INCREASES  
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PAGE 02 ATHENS 00837 302041Z

MUST BE KEPT DOWN TO REASONABLE LEVELS TO MINIMIZE

INFLATIONARY IMPACT, CITING CIVIL SERVANTS DEMAND FOR  
40 PERCENT INCREASE AND GOG'S CONCESSION OF 10 PERCENT.

4. SHIPPING - DOWNTURN IN WORLD DEMAND WHICH IS CURRENTLY  
EVIDENT IS CAUSING CONSIDERABLE CONCERN BECAUSE OF THE GREAT  
IMPORTANCE OF THIS SECTOR TO GOG'S INVISIBLE EARNINGS.

5. CONDITIONS IN WESTERN EUROPE - THE RELATED QUESTIONS OF  
MIGRANT WORKERS AND EMIGRANT REMITTANCES ARE ALSO CRUCIAL TO  
GREECE'S ECONOMIC WELFARE, BUT WILL BE DECIDED BY FORCES  
LARGELY OUTSIDE GOG CONTROL, ESPECIALLY BY DEVELOPMENTS  
IN FRG. LARGE INFLUX RETURNING MIGRANT WORKERS, AND LOW  
FOREIGN EXCHANGE INFLOW FROM REMITTANCES WOULD FURTHER  
COMPLICATE LOCAL ECONOMIC PROBLEMS.

6. HE CONCLUDED HIS BRIEF TOUR D'HORIZON WITH OBSERVATION  
THAT GOG HAS TO TALK ABOUT PROGRESS IN 1976, SINCE OUTLOOK  
FOR 1975 IS SO BLEAK.  
KUBISCH

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## Message Attributes

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